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The DEMAND and PRICE SITUATION

DPS-4

AMS

Approved by the Outlook and Situation Board, April 18. 1955

AGRICULTURAL OUTLOOK FOR 1955

The average level of prices received by farmers and the parity ratio, which have been fairly stable since last fall, are likely to continue close to current levels through most of 1955. However, both prices received and the parity ratio are currently somewhat below a year earlier and are not likely to average as high this year as last. Prices paid by farmers for production items, including interest, taxes and farm wage rates are slightly higher than a year ago and are not expected to change much the rest of the year.

Cash receipts from farm marketings so far in 1955 have been 5 percent smaller than a year ago. With smaller wheat and cotton crops in prospect, a moderately lower support price for 1955 crop wheat and prices of hogs now considerably below the high prices of early 1954, cash receipts from total marketings this year are not likely to be as large as in 1954. However, cash receipts from most products other than these should be fairly well maintained, and in some instances, such as broilers and eggs, and oil-bearing crops, could well be larger. Moreover, final returns to wool producers for the 1955 clip, partly to be received in 1956, will be larger than for the 1954 clip.

(Continued on page 3)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

ECONOMIC FACTORS AFFECTING AGRICULTURE

	Unit or base period	1954 Year	1954 Mar.	1954 Dec.	1955 Jan.	1955 Feb.	1955 Mar.
Industrial production 1/							
Total	1947-49=100	125	123	130	132	133	135
All manufacturers	do.	127	125	131	133	134	136
Durable goods	do.	138	135	143	146	147	150
Nondurable goods	do.	116	114	119	120	121	122
Minerals	do.	111	112	116	120	123	123
Total outlay for new construction 2/	Million dollars	37,170	3,005	3,262	3,379	3,426	3,409
Residential	do.	13,450	989	1,262	1,323	1,326	1,301
Total civilian employment 3/	Million	61.2	60.1	60.7	60.2	59.9	60.5
Nonagricultural	do.	54.7	54.2	55.4	54.9	54.9	54.8
Unemployment	do.	3.2	3.7	2.8	3.3	3.4	3.2
Income:							
Nonagricultural payments 2/4/#	Bil. dol.	270.7	268.8	276.5	275.5	276.3	
Production-worker payrolls 5/	1947-49=100	138.2	138.4	143.6	141.8	144.0	147.7
Weekly earnings of production-workers in manufacturing 5/	Dollars	71.65	70.71	74.30	73.97	74.34	75.30
Durable	do.	77.01	76.00	80.15	86.16	80.56	81.56
Nondurable	do.	64.58	64.02	66.30	66.02	66.53	66.70
Prices:							
Wholesale prices, all commodities 5/	1947-49=100	110	110	110	110	110	110
Commodities other than farm and food	do.	114	114	115	115	116	116
Farm	do.	96	98	90	92	93	92
Food, processed	do.	105	105	104	104	103	102
Prices received by farmers 6/	1910-14=100	250	256	239	244	245	244
Crops	do.	244	239	241	248	245	245
Livestock and products	do.	257	271	237	240	244	243
Prices paid, interest, taxes and wage rates 6/	1910-14=100	281	283	279	283	283	284
Items used in living	do.	274	272	272	273	271	272
Items used in production	do.	252	255	250	254	256	256
Parity ratio		89	90	86	86	87	86
Consumer price index 5/	1947-49=100	115	115	114	114	114	
Food	do.	113	112	110	111	111	
Government purchases of goods and services 2/ 7/	Billion dollars	77.5		74.1			
Federal (less Government sales)	do.	50.0		45.9			
State and local	do.	27.5		28.2			

Annual data for the years 1929, 1932 and 1935-54 appear on page 41 of the April 1955 issue of The Demand and Price Situation.

1/ Federal Reserve Board.
2/ U. S. Department of Commerce.
3/ Bureau of the Census.
4/ Monthly totals seasonally adjusted at annual rates.
5/ U. S. Department of Labor, Bureau of Labor Statistics.
6/ U. S. Department of Agriculture, Agricultural Marketing Service.
7/ Quarterly totals seasonally adjusted at annual rates.
Revised series.

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Farm production costs are likely to be down only a little from 1954, partly as a result of lower feed costs and a decline in rental payments this year. Farm wage rates on April 1 averaged 2 percent higher than a year earlier. Farm operators' realized net income in total will likely be down in 1955, perhaps by 5 percent.

Supplies of agricultural products will again be large this year. Total farm output in 1955 may be almost as large as last year, if weather conditions are average and March 1 planting intentions are realized. Much of the acreage diverted from cotton and wheat will be used for soybeans, feed grains, hay and pasture. Output of livestock and livestock products is expected to continue close to the 1954 level with somewhat smaller production of poultry products and considerably more hogs. In addition, carryover stocks of major crops--wheat, corn, cotton, rice, minor feed grains and some oil crops--will be record or near record large. Much of the carryover will be either owned by or under loan to the CCC. Total CCC investment in price support operations was 7.4 billion dollars at the end of February 1955.

The value of U. S. agricultural exports during calendar 1954 was 3 billion dollars, a gain of 7 percent from a year earlier. The improved export situation will be maintained during the first half of 1955. If crop production abroad is better this year, the need for U. S. agricultural products may be lessened in the second half of the year. However, for 1955 as a whole, quantities moving into export will total at least as large as in 1954 and may well be substantially larger. Special Government programs to increase exports of surplus farm products, increased economic activity in foreign countries, and larger gold and dollar holdings are favorable factors for the movement of U. S. farm exports in 1955.

Domestic demand for food and most other goods and services has improved over 1954 and is likely to continue higher the rest of the year. In the first quarter of 1955, consumer incomes, after taxes, were 3 percent above the same period a year earlier. Consumer expenditures for goods and services were up 5 percent reflecting, in addition to higher incomes, increased use of credit and some decline in the rate of savings out of current income. Expenditures for food continue to account for 25 percent of consumers disposable income, about the same proportion as in other postwar years. However, marketing costs have increased slightly while prices received by farmers for food products have declined. The farmer's share of the consumer food dollar in the first quarter was 42 percent compared with 45 percent a year earlier.

Economic activity has improved significantly in the last 6 months, with a substantial part of the improvement reflecting record rates of output in automobiles and in construction. The impact of declining defense expenditures and of business inventory liquidation has practically ended. According to recent Budget estimates, expenditures for national security programs will change little from current rates, after declining about one-fourth over the past 18 months. Business inventory liquidation has come to a halt and there may well be some net build-up of inventories in the months ahead. Further, according to a recent survey conducted jointly by the Securities and Exchange Commission and the Department of Commerce, business investment in new plant and equipment is once again increasing after more than a year of decline. State and local government expenditures, especially for schools and highways, continue to expand. These are strong offsets to the possibility that current exceptional production rates in the automobile industry and in housing, which has been stimulated by easy credit, may ease some later in the year.

Commodity Highlights

The rate of cattle slaughter the rest of this year is expected to be as large as, or a little larger than last year, and the general level of cattle prices will continue about equal to last year. Hog slaughter above 1954 is assured throughout this year. Hog prices, sharply below a year ago in April, are expected to recover seasonally this spring and summer.

Production of milk in 1955 will be about the same as last year. Cash receipts from the sale of milk and butterfat will be about 4 billion dollars, the same as last year. Prospects are for little change in retail milk prices the rest of this marketing year.

Egg prices in early April, slightly below a month earlier, were probably at the springtime low. Broiler marketings will increase sharply by mid-May from levels in mid-April, according to recent broiler chick placements.

Corn prices have strengthened since the low reached in early March but are well below the price support level for 1954 crop. Prices of oats, barley, and sorghum grains probably will decline at least seasonally this summer and will be lower than usual in relation to corn. Planting intentions indicate a slightly larger supply of feed grains this year than last; the carryover of feed grains into 1955-56 feeding year may be record large.

Wheat supplies for 1955-56 are expected to be somewhat smaller than the record 1,872 million bushels a year earlier; the 1955 crop will be smaller. Cash wheat prices have started to adjust downward to the reduced price support level for the 1955 crop and to new crop conditions.

Low temperatures in late March in Southern States will mean very few peaches and apples from those States in early summer. Peaches and other fruits in California were also damaged by low temperatures in early April.

Prices received by growers this spring for fresh vegetables will probably average somewhat higher than those of a year ago. The late March frost seriously retarded development of fresh vegetable crops in the South.

The supply of cotton for the 1954-55 marketing year is estimated at about 23½ million bales. Both domestic consumption and exports are expected to rise from a year earlier but stocks may increase to more than 10 million bales from 9.7 last August.

It is likely that prices received by growers for shorn wool in the open market during the 1955 marketing season will average considerably lower than the national average incentive level of 62 cents. But payments to growers will bring the average return up to the incentive level. Domestic production this year will be about the same as last year.

Consumption of cigarette tobacco in 1955 is expected to be near the level of 1954. Exports of leaf tobacco this year probably will exceed the total of 506 million pounds, farm sales weight, in calendar 1954.

GENERAL ECONOMIC ACTIVITY

Consumer demand has strengthened materially with the rise in employment and income in recent months and likely will continue higher this year than in 1954. Much of the pickup in industrial production

and construction activity has been due to rising sales of new automobiles and increased residential building. These activities have also increased other types of construction, and production of steel, building materials, and major household durable goods. Output has risen in response to expanding demand and in March the Federal Reserve Board's index of industrial production was 135 (1947-49=100) compared with 123 a year earlier and a peacetime peak of 137 in May 1953. The employment situation, too, has picked up and will improve further this spring. Business investment plans for the second quarter point to some increase in the rate of capital expenditures after declining for more than a year. Prices in general are holding steady near levels of a year ago.

Consumer Income and Spending: A Mainstay

Rising incomes and increased consumer buying of goods, services, and residential housing were largely responsible for both the maintenance of economic activity in 1954 and the general upswing in recent months. Consumer income after taxes in January-March this year was 3 percent above a year earlier and is likely to continue higher in 1955. Consumer spending is also expected to total larger this year than in 1954.

Consumer Incomes Rise

Consumer income, after taxes, was estimated at an annual rate of more than 260 billion dollars in January-March, up somewhat from the last quarter of 1954 and 3 percent above the first quarter a year earlier. The increase over the year was due mostly to a rise in wage and salary payments and in payments for social insurance benefits, including unemployment compensation. A moderate gain in average hourly earnings and a slightly longer work week resulted in an increase of 5 percent in weekly earnings in manufacturing industries. Prospects for an advanced level of economic activity and further wage rate increases point to a higher level of income this year than in 1954.

Credit Purchases Increase

Credit extended for the purchase of consumer durable goods declined in the early months of last year, then began to increase, and has since exceeded repayments on consumer indebtedness. Consumer credit outstanding at the end of February, both installment and noninstallment credit, totaled 29.5 billion dollars. This compares with 28.1 billion a year earlier, a rise of 5 percent.

Increased use of installment credit during the past year was closely related to sales of new cars. In the first quarter of 1954 repayments on installment credit exceeded extensions of new credit by 244 million dollars while in January and February this year credit extended exceeded repayments by about 352 million dollars. On an annual rate basis this gain approximates more than 2 billion dollars net purchases.

Consumer Market Strong

Spending by consumers for goods and services, which comprises about two-thirds of the gross national product of the economy, was

Table 1.--Consumer income, spending and saving, first quarter 1954 to first quarter 1955, seasonally adjusted annual rates

Item	1954				1955
	I	II	III	IV	I 1/
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Personal disposable income	252.3	252.9	253.2	255.9	260.5
Consumer expenditures for goods and services	230.5	233.1	234.8	237.7	242.0
Durable goods	28.0	28.8	28.9	29.9	33.0
Automobiles and parts	11.6	12.6	12.4	13.3	
Furniture and household equipment	12.8	12.4	12.6	12.8	
Other	16.4	16.2	16.5	16.6	
Nondurable goods	118.8	120.0	121.1	122.1	122.5
Food and beverages	72.0	72.5	73.7	74.2	
Clothing and shoes	19.5	19.7	19.4	19.8	
Other	27.3	27.8	27.9	28.0	
Services	83.6	84.3	84.8	85.7	86.5
Personal saving	21.8	19.7	18.4	18.2	18.5

1/ Preliminary estimates by Council of Economic Advisers.

up nearly 5 percent during January-March from the first quarter of 1954. This rise reflected, in addition to increased income and expanded use of credit, a decline in personal savings from a year ago which added about 3 1/2 billion dollars to the annual rate of spending. The early introduction and sharply expanded sales of new automobiles was directly responsible for most of the increase in steel output and contributed materially to the pickup in economic activity since last fall. Outlays for residential housing increased more than a third, contributing to expanded purchases of building materials, furniture, and household equipment.

Consumer expenditures for durable goods in the first quarter were around a sixth above a year earlier. Outlays for automobiles and parts, making up nearly one-half of the total, increased sharply beginning last fall. Approximately 1.8 million new passenger cars were sold in the January-March period, 42 percent above the first quarter of 1954. Output of passenger cars continues at a record rate in response to increased sales and stocks of 1955 passenger cars rose by more than 280 thousand units in the first quarter to about 639 thousand by the end of March. These stocks, which compare with the excessive 651 thousand units in the hands of dealers last March, apparently are not considered out of line relative to advanced levels of sales. In addition to the rise in automobile sales, furniture and appliance store sales in the first quarter were nearly 6 percent above a year earlier. Total sales of durable goods in the early months of 1955 were around a tenth above a year earlier.

Sales of durable goods this year will depend to a large extent on what happens in the automobile and housing industries both of which are operating at record rates. A survey of consumer buying plans for 1955 taken in January and February indicated that consumers were planning to spend somewhat more for automobiles this year than they planned at the same time last year. However, current sales rates apparently are well above these buying plans even after adjustment for seasonal variation. Prospective buyers reported plans to time relatively more purchases in the first half of this year which may account for some of the high early-season sales. If reported buying plans materialize, automobile sales and output will decline somewhat more than usual later this year.

Consumer expenditures for nondurable goods in the first quarter are estimated at 3 percent above a year earlier, about the same as the increase in income. Most nondurable goods participated in the rise; food store sales were up around 5 percent from the early months of 1954; sales by gasoline stations and general merchandise stores were about 8 percent higher. Consumer outlays for services in the early months of 1954 were about 3½ percent above a year earlier, continuing the rise of recent years. Purchases of nondurable goods and services this year probably will continue to rise in response to higher incomes.

Home Building Activity at Advanced Rate

The sharp rise in residential construction after last August was another major contributor to the general pickup in economic activity. Construction outlays for new homes in the first quarter were up more than a third from a year earlier. Easier mortgage financing under terms of the Housing Act of 1954 and availability of credit probably were mainly responsible for the rapid increase. However, well maintained incomes also permit some upgrading in the demand for new homes. Formation of new households is currently at a rate less than half that for new home starts. Population shifts and record birth rates also have increased the demand for new housing in many areas.

Current prospects indicate that home building will hold up well in coming months, although there may be some decline from current high rates. Starts of new homes in the first quarter were at an annual rate of over 1.4 million units, a record for the quarter and more than a fourth larger than in January-March 1954. In addition, contract awards for residential construction in early 1955 totaled about 50 percent above the same period last year and combined VA appraisal requests and FHA applications were approximately double a year earlier. The Federal Reserve Board's Survey of Consumer Finances also indicated that more consumers were planning in early 1955 to buy or build homes this year than were planning to do so at the same time in 1954 and 1953. Plans for 1956 suggest a continued strong demand for housing beyond this year.

Concern has been expressed in some sectors about the rapid increase in home building activity and the accompanying increase in mortgage debt during the past year. More than half of the dwelling units started in the early part of 1955 were under FHA or VA programs. This ratio compares with around 40 percent of new starts in early 1954. The

increase in Government-assisted financing accounts for the gain in housing starts during the past year. The rise in mortgage debt is directly due to the upsurge in residential building. However, servicing this larger debt may not result in greatly expanded claims on the budgets of families previously renting. Smaller down payments and longer maturities on mortgages have reduced monthly charges in buying a new home. Like all credit, mortgage debt can become burdensome if incomes are not maintained. The rate of household formation, a major demand factor, has slowed considerably in recent years. Households increased by about 1,100 thousand units from 1950 to 1951, 850 thousand from 1951 to 1952, 830 thousand from 1952 to 1953 and about 560 thousand from 1953 to 1954. Building costs, both for labor and materials, inched up during 1954 and in January and February this year averaged around 2 percent above a year earlier.

Investment Demand Strengthening

After declining for more than a year, business investment outlays for new plant and equipment are beginning to increase. The decline over the past year followed a big expansion in productive capacity after Korea, and was accompanied by a sizable reduction in outlays for national security programs and for business inventories. However, construction activity in total continued to increase, and in the first quarter was 13 percent above the previous January-March high in 1954.

Business Capital Outlays to Rise

Business outlays for new plant and equipment were at a seasonally adjusted rate of 26 billion dollars in the first quarter, slightly below the closing months of 1954 and a tenth below the record third quarter of 1953. According to a survey of business investment intentions made jointly by the Securities and Exchange Commission and the Department of Commerce in February and March, planned capital outlays are expected to rise to about 27½ billion dollars in the second quarter and hold at that level in the last half of 1955. If these plans materialize, business investment expenditures in 1955 would total slightly above 1954. Most of the increase is planned for the consumer related "commercial and other group"--trade, service, finance, and construction--and public utilities. Smaller investment outlays are indicated for railroads--more than a tenth--and for mining and manufacturing industries. Among the durable goods industries larger investment outlays are scheduled for primary iron and steel, nonferrous

metals, and machinery industries--industries in which investment was curtailed during 1954. Larger investment is also planned for petroleum and rubber industries. These increases are nearly offset by smaller investment outlays scheduled for automobiles, food and beverage and textile industries.

Table 2.- Investment expenditures, first quarter 1954 to first quarter 1955, seasonally adjusted annual rates

Item	1954				1955
	I	II	III	IV	I 1/
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Gross private domestic investment	44.5	45.6	45.3	49.5	51.9
New construction	26.0	27.0	28.3	29.1	30.8
Residential nonfarm	11.7	12.8	14.0	14.8	15.8
Other	14.3	14.2	14.2	14.3	15.0
Producers' durable equipment	22.7	22.4	21.8	21.7	21.1
Change in business inventories	-4.2	-3.8	-4.8	-1.3	0
Net foreign investment	-1.1	-1.0	-.2	-.8	.8

1/ Preliminary estimates by Council of Economic Advisers.

The rise in sales and general economic activity since last fall probably has been a major factor influencing prospective expansion in investment programs this year. Increased earnings, a relatively large supply of internal investment funds, and replacement and modernization programs also have been favorable for increased investment. A recent survey by the Department of Commerce and the Securities and Exchange Commission reported that replacement and modernization expenditures in manufacturing industries made up about three-fifths of total investment outlays in 1954. Manufacturers as a whole expect to maintain outlays for replacement capital this year and reduce investment for expansion of facilities by about 4 percent from 1954.

Nonresidential Building Sharply Higher

Outlays for industrial plant declined in 1954 and totaled for the year a tenth below 1953. However, construction of industrial facilities began to increase last fall and by February outlays were above a year earlier and a fifth larger than last October. This rise precedes somewhat the pickup in business expenditures for plant and equipment scheduled for the second quarter.

Commercial building of stores, restaurants, garages, and office buildings, and such nonresidential construction as religious, educational, social, and recreational facilities have increased with the sharp expansion of residential building and the shift of population to the suburbs. Outlays for commercial and nonresidential building in the first quarter were about a fifth above a year earlier, associated primarily with the gain in residential construction. With prospects for some pickup in business investment and a high rate of home building, total construction activity is expected to continue to bolster economic activity in coming months and lead to a record year for construction.

Inventory Investment Expected to Rise

After declining for more than a year the book value of business inventories leveled off in January and turned up a little in February. Preliminary estimates for the first quarter indicate that inventories held steady. Most of the decline during 1954 was in stocks of durable goods at both manufacturing and retail levels, though inventories of nondurable goods also declined slightly. The recent pickup in economic activity and reduced inventories led to a general improvement in the ratio of stocks to sales. Prospects for a further increase in sales and manufacturers' new orders and a rise in automobile stocks suggest the likelihood of some increase in business inventories in coming months.

Government Demand May Change Little

Recent budget estimates for fiscal 1954-55 and 1955-56 point to little change in outlays for national security programs from the first quarter annual rate of 40.2 billion dollars. Assuming no major change in the international picture, defense spending may level off close to a 40-billion-dollar annual rate. These expenditures represent nearly 90 percent of total Federal outlays. Federal outlays for nondefense activities are not expected to change much during 1955.

Expenditures by State and local Governments in the first quarter of this year were at an annual rate of 28.8 billion dollars, about 2 billion above a year earlier. A similar increase in spending is in prospect for the coming year. Although public construction outlays in 1954 were about the same as in 1953, sizable increases were made for such State and local projects as schools, highways and sewer and water facilities. The wage bill of State and local Governments also increased during 1954, reflecting an increase in earnings and a gain in employment. State and local Governments have, at recent building rates, an approximate 4-year backlog of public works according to a recent Census Bureau survey. Proposed programs and an expanding need for highways and schools should contribute to increased spending this year. However, no big acceleration in the general uptrend in expenditures by State and local Governments is likely.

Table 3.- Government expenditures for goods and services first quarter 1954 to first quarter 1955, seasonally adjusted at annual rates

Item	1954				1955
	I	II	III	IV	I 1/
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Government expenditures for goods and services	81.9	78.3	75.6	74.1	74.3
Federal	55.0	51.3	47.9	45.9	45.5
National security	46.9	44.7	42.1	40.5	40.2
Other Federal less Government sales	8.1	6.6	5.9	5.4	5.3
State and local	26.9	27.0	27.7	28.2	28.8

1/ Preliminary estimates by Council of Economic Advisers.

Output, Inventories, Sales And New Orders

Output of the Nation's factories and mines in the first quarter of 1955 was around 7 percent above a year earlier. The Federal Reserve Board index of industrial production held fairly stable between 123 and 126 percent (1947-49=100) from January through October last year.

1955 Model Cars Spark Rise

As production of 1955 model cars got under way late in the year, output of both steel and automobiles began to rise abruptly. Production of primary metals in the first quarter was at a seasonally adjusted rate one-fourth above July-September 1954. In response to increased demand, steel mills increased operations from around 63 percent of capacity last July and August to around 95 percent in early April.

Assemblies of new passenger cars, which contributed most to the increased demand for steel, were at an all time high of over 2.1 million units in the first quarter, nearly 50 percent above a year earlier. Production schedules point to a continued large output in the second quarter. For the year, passenger car assemblies, according to some industry estimates, may exceed by about a fifth the 5.6 million produced in 1954. Greater auto production has been accompanied by increased output in other related industries. Production of rubber products in the first quarter was up about a fourth, and petroleum about 7 percent from the early months of 1954.

Table 4.- Indexes of industrial production, by groups, first and third quarters 1954 and first quarter 1955 adjusted for seasonal variation

Group	1954		1955
	Jan.-Mar.	July-Aug.	Jan.-Mar.
Industrial production, total...	124	123	133
Durable goods.....	138	135	148
Primary metals.....	108	104	131
Nondurable goods.....	114	114	121
Consumer durable goods.....	112	115	135
Autos.....	133	119	170
Major household goods.....	109	130	135

Production of Goods For New Homes Expands

Expansion in residential construction activity has given a boost not only to related types of construction but to production of building materials and the demand for major household durable goods. Production of building materials in the first quarter was around a tenth larger than a year earlier and output of major household durable goods was nearly a fourth above January-March 1954. Combined production of television and radio sets was more than 50 percent higher.

Production Prospects: Durable Goods

The pick-up of about one-tenth in retail sales of durable goods over the last year was in large measure supplied out of inventories. Consumer purchases in January and February were at a rate nearly one-half billion dollars above the first quarter of 1954. Since retail stocks declined nearly as much as the increase in sales, ratios of stocks to sales dropped from 2.26 in the first quarter of 1954 to 1.98 early this year. The rise in manufacturers' deliveries of durable goods during the year also was largely supplied out of inventory; production held relatively steady until the pickup in recent months. New orders received by manufacturers of durable goods in February were up nearly a third from mid-1953. New orders for machine tools rose further in February to the highest level in nearly 1½ years. These developments have materially improved the relative inventory position for durable goods as a whole. Order backlogs, although down substantially during the past year, have risen a little in recent months. Prospects for a further increase in manufacturers' sales of durable goods--about 5 percent over 1954 according to a survey of sales expectations--as well as some inventory build-up will help to bolster new orders and production in 1955. Automobile production, however, will decline, possibly more than usual, in the last half of 1955.

Production Prospects: Nondurable Goods

Retail sales rose with the increase in income over the past year and in early 1955 averaged about 6 percent above the first quarter of 1954. Since inventories in general were not out of line relative to sales, they too rose over the year, but less than sales. Manufacturers' inventories declined somewhat during the year and production rose more than 6 percent. Ratios of inventories to sales of both retailers and manufacturers, have been reduced a little since early 1954. A recent survey of manufacturers reported that they anticipate an increase of 4 percent in sales from 1954 to 1955. New orders placed with manufacturers in the first quarter were up 3 percent from a year earlier.

Table 5.- Durable goods; production and inventories, monthly averages by quarters, first quarter 1954 to first quarter 1955, seasonally adjusted

Item	Unit	1954				1955
		I	II	III	IV	I 1/
Retail:						
Sales	Mil. dol.	4,680	4,879	4,826	4,986	5,176
Inventories	Mil. dol.	10,587	10,430	10,237	10,020	10,245
Stock-sales ratio	Ratio	2.26	2.14	2.12	2.01	1.98
Manufacturers:						
Deliveries	Mil. dol.	11,414	11,414	11,057	11,420	12,374
Inventories	Mil. dol.	26,198	24,987	24,245	24,417	24,406
Stock-sales ratio	Ratio	2.30	2.19	2.19	2.14	1.97
New orders	Mil. dol.	9,437	10,019	10,459	11,761	12,433
Order backlogs 2/	Mil. dol.	52,318	47,719	45,181	44,946	45,338
Production	1947-49=100	138	135	135	141	148

1/ Preliminary, based on incomplete data.

2/ Unadjusted.

Table 6.- Nondurable goods: Sales, production and inventories, quarterly average, first quarter 1954 to first quarter 1955, seasonally adjusted

Item	Unit	1954				1955
		I	II	III	IV	I 1/
Retail:						
Sales	Mil. dol.	9,152	9,363	9,386	9,532	9,639
Inventories	Mil. dol.	11,917	12,267	12,190	12,033	12,040
Stock-sales ratio	Ratio	1.30	1.31	1.30	1.26	1.25
Manufacturers:						
Deliveries	Mil. dol.	12,448	12,805	12,659	12,690	12,696
Inventories	Mil. dol.	19,892	19,852	19,685	19,380	19,228
Stock-sales ratio	Ratio	1.60	1.55	1.56	1.53	1.51
New Orders	Mil. dol.	12,438	12,889	12,732	12,760	12,818
Order backlogs 2/	Mil. dol.	2,367	2,511	2,682	2,676	2,920
Production	1947-49=100	114	116	114	118	121

1/ Preliminary, based on incomplete data.

2/ Unadjusted.

Employment Rising

Employment in the first quarter this year totaled 60.2 million, slightly above a year earlier. A moderate rise in nonagricultural employment from a year ago was largely offset by a decline in agricultural employment. The labor force increased less than usual and unemployment in the first quarter of 3.3 million was slightly below January-March 1954.

A small decline in nonagricultural employment in March was more than offset by a seasonal rise in farm employment as the spring planting season got under way. Part of the decline in nonagricultural employment was a reflection of the shift of farm workers from temporary nonfarm jobs into farm work. There was a reduction in the number of workers employed part-time and an increase in the numbers working full-time in each of the first 3 months of this year.

With the pickup in industrial production and in construction activity, manufacturing employment has shown a steady improvement in recent months. The largest gains have been in durable goods, particularly primary metals and automobiles, but the nondurable goods industries also showed substantially more than seasonal increases in employment. Virtually all manufacturing industries registered some employment increases during the first quarter. A recent survey of hiring plans made by the Department of Labor indicated that a further moderate rise in employment is in prospect this spring.

The length of the work week in manufacturing industries also was increased in recent months, particularly in the durable goods industries where production increases have been sizable. With a continued rise in average hourly earnings, weekly earnings of manufacturing workers rose to an all time high in the first quarter, 5 percent above early 1954. Apparently there have been sizable increases in output per manhour during the past year in both durable and nondurable goods industries.

Commodity Prices: General Level Steady

Wholesale commodity prices in general have changed very little during the past year and no big changes are in prospect for this year. The index of wholesale prices held flat near 110 percent of the 1947-49 average, but wholesale prices of farm products in the first quarter were

down about 5 percent on the average from a year earlier, largely because of record supplies of agricultural products. Processed food prices also averaged lower, but were only about 2 percent down from levels of a year earlier. Wholesale prices of industrial products on the average increased less than 1 percent from a year earlier. Prices

Table 7.- Index of wholesale prices, selected groups, first quarter 1954 to first quarter 1955

(1947-49=100)

Group	1954				1955
	I	II	III	IV	I
Wholesale prices					
All commodities	110.6	110.6	110.3	109.7	110.2
Farm products	98.0	97.4	95.2	92.1	92.6
Food, processed	105.4	105.9	106.1	103.7	102.9
All other than farm and food	114.4	114.4	114.4	114.7	115.5

of rubber and products were a tenth higher, and somewhat smaller increases were registered during the year for metals and metal products, machinery and motive products, and building materials. These increases were partly offset by small price declines for textiles and apparel, paper products, leather, and some other miscellaneous items.

Prices paid by consumers in urban areas in early 1955 averaged slightly lower than in January-March last year. Lower prices for food, clothing, and transportation were only partly offset by a continued rise in rent and in prices paid for some services. Prices paid by farmers in rural areas for family living items averaged slightly higher in the first quarter of this year than in January-March 1954. New automobiles, building materials, and household furnishings were among the items accounting for the price increase.

AGRICULTURAL SUPPLIES AND PRICES

Domestic and foreign demand for farm products has strengthened in recent months and probably will continue this year above levels in 1954. Economic activity and consumer incomes, currently well above levels of last summer and fall, are likely to continue higher this year than the average for 1954. With consumers continuing to spend about a fourth of their income for food, retail sales of food are expected to rise further this year. The average level of prices received by farmers and of prices paid for commodities, interest, taxes, and wages may change little from current levels.

Table 8.- Indexes of prices received and paid by farmers by quarters, first quarter 1954 through first quarter 1955

(1910-14=100)

Item	1954				1955
	I	II	III	IV	I
All farm products	258	254	248	242	244
Crops	239	244	248	243	246
Livestock and products	275	263	248	241	242
Prices paid, interest, taxes and wage rates	282	283	281	279	283
Family living items	271	275	276	272	272
Production items	254	255	249	250	255
Parity ratio	91	90	88	87	86

Supplies Large: Prices Lower

Grower prices have firmed up slightly since last fall and in the next few months may hold near current levels through most of 1955. Average prices received by farmers in the first quarter were 5 percent below those of a year earlier. With big carryover stocks and continued heavy marketings, supplies of most major commodities continued large enough to offset the bolstering effect of increased domestic and foreign demand.

Table 9.- Comparison of average prices received for selected commodities with parity prices and announced supports for 1954 and 1955 crops

Commodity	Unit	Season average price		Announced support		March 15, 1955	
		1953-54	1954-55 1/	1954 crops	1955 crops	Average price received	Parity price
Tobacco:							
Flue-cured	Ct. per lb.	52.8	52.7	47.9	2/48.3	---	53.7
Burley	Ct. per lb.	52.5	49.6	46.4	2/46.2	---	51.3
Food grains:							
Wheat	Dol. per bu.	2.04	2.13	2.24	2/2.06	2.12	2.52
Rye	Dol. per bu.	1.30	1.13	1.43	1.18	1.12	1.69
Rice (rough)	Dol. per cwt.	5.19	4.35	4.92		4.46	5.48
Feed grains:							
Corn	Dol. per bu.	1.48	1.51	1.62	2/1.58	1.36	1.83
Oats	Dol. per bu.	.743	.722	.75	.61	.737	.866
Barley	Dol. per bu.	1.15	1.05	1.15	.94	1.08	1.35
Grain sorghums	Dol. per cwt.	2.29	2.20	2.28	1.78	2.23	2.55
Oilseeds:							
Cottonseed	Dol. per ton	52.60	60.30	54.00	46.00	53.40	71.60
Soybeans	Dol. per bu.	2.72	2.63	2.22	2.04	2.54	2.93
Peanuts	Ct. per lb.	11.1	12.3	12.2		12.5	13.7
Flaxseed	Dol. per bu.	3.62	3.08	3.14	2.91	2.88	4.49
Dry Edible Beans	Dol. per cwt.	8.15	8.01	7.24	6.36	8.18	9.12
Cotton:							
American Upland	Ct. per lb.	32.25	3/34.1	31.58	2/31.70	31.87	35.34
Wool (grease basis)	Ct. per lb.	53.9	51	53.2	62	50.1	59.6

1/ Preliminary estimates.
2/ Announced minimum support levels.
3/ Price to December 1, 1954.

Crop prices averaged about 3 percent higher than in the first quarter of 1954; total supplies were large but CCC holdings of major crops limited supplies available in commercial channels. Government price supports on 1955 crops will tend to cushion the impact of large supplies of food grains, feed grains, cotton, tobacco and some oilseeds. Prices of livestock products average 12 percent below the first quarter of 1954. Most of the decline was in meat animal prices due to increased marketings and sharply reduced prices for hogs. Prices of dairy and poultry products also averaged lower in January-March this year than last. The explanation of lower prices for livestock and livestock products is chiefly one of large supply.

Supplies to Continue Large

Another large output of livestock and livestock products is in prospect for 1955. So far this year, livestock slaughter has been above a year ago, primarily because of increased hog slaughter. For 1955 as a whole hog slaughter will exceed that of 1954. Milk output may total about the same this year as last and production of poultry products will be smaller.

Crop output this year may be nearly as large as in 1954, if growing conditions are average and farmers carry out their March 1 planting intentions. Although sizable shifts in acreage of some crops are contemplated, total acreage may be about the same as last year. Much of the acreage diverted from wheat and cotton will be used for soybeans, feed grains, hay and pasture. In addition to prospects for another big farm output, carryover stocks of several major crops will be large at the end of the current marketing season. Stocks at or near record are in prospect for wheat, rice, corn, the minor feed grains, cotton, soybeans, and some other commodities. Stocks of wheat by mid-1955 may rise to about a billion bushels compared with around 900 million in mid-1954. The rice carryover next August may total 14 million hundredweight, nearly double last year's carryover. Stocks of feed grains probably will exceed the record carryover last October. Stocks of cotton next August are expected to exceed 10 million bales compared with 9.7 million last year.

Prices Paid Near Year Ago Levels

Prices paid by farmers for commodities, interest, taxes and wages in the first quarter were up slightly from the closing months of last year, and near levels of a year earlier. Prices paid in general are not expected to change much in coming months. Purchased feed prices in the first quarter were down a little from a year earlier and may decline some more later in the year. Farm wage rates in April were slightly above last year. Farm property taxes and interest charges are higher this year than in 1954. Changes indicated in prices received and paid from current levels point to little change this year in the parity ratio from the 86 reported in the first quarter.

FOREIGN DEMAND

Continued high levels of industrial activity and employment abroad, relaxation of European exchange restrictions made possible by the rise in gold and dollar assets, increased foreign dollar receipts from transactions with the United States, and the special programs aimed at the disposal of surplus United States agricultural products abroad are favorable factors for the movement of United States farm exports in 1955.

The value of U. S. agricultural exports during calendar year 1954 was 3 billion dollars, a gain of 7 percent from a year earlier, reflecting in part the poor European harvest. The improved export situation will be maintained during the first half of 1955. If crop production abroad is better this year, the need for U. S. agricultural products in the second half of the year might be lessened. However, for the year as a whole, quantities moving into export will total at least as much as in 1954 and may well be substantially larger. Exports of grains, tobacco, citrus fruits and dairy products are expected to run higher than a year ago, while some easing is anticipated in exports of cotton and fats and oils.

Foreign Dollar Exchange Increases Further

The sustained increase in gold and short-term dollar assets of foreign countries continued during 1954 and by the end of December they totaled 24.7 billion dollars, about 2 billion more than a year ago.

Four-fifths of this gain occurred in Continental Western Europe (especially Western Germany). Reserves of the sterling area and Latin America declined sharply during the second half of 1954, thereby reducing the net accumulation for the year, while the Asian countries were able to limit their net decline during the latter months of the year. International institutions, such as The International Monetary Fund and The International Bank, also increased their holdings during 1954 so that total foreign gold and short-term dollar assets exceeded 28 billion dollars by the end of 1954. Most of the increase in foreign

Table 10.- Estimated gold and dollar holdings of foreign countries and international institutions 1/

Area	Holdings December 31, 1954	Change from June 30, 1954	Change from December 31, 1953
	Million dollars	Million dollars	Million dollars
Canada	2,613	150	196
Continental Western Europe	11,640	1,022	1,565
Sterling area	4,245	-332	195
Latin American Republics	3,685	-37	62
Asia	2,226	172	-73
All other	289	-4	5
TOTAL FOREIGN COUNTRIES	24,698	971	1,940
International institutions	3,560	196	229
TOTAL ABOVE	28,258	1,167	2,169

1/ Includes gold reserves of central banks, governments, and international institutions and official and private deposits and United States Government obligations reported as purchased within 20 months of maturity. Data for Europe and the sterling area include dependencies. Total excludes holdings of the Soviet bloc.

Board of Governors of the Federal Reserve System

gold and dollar holdings reflects a surplus arising from transactions with the United States. During 1954 this excess of payments by the United States to foreign countries over receipts totaled 1.7 billion dollars, compared with 2.3 billion during 1953.

Table 11.- Foreign transactions with the United States, 1953 and 1954

Item	1953	1954	Change
	Bil.dol.	Bil.dol.	Bil.dol.
Expenditures on U. S. Goods and Services	17.0	17.6	.6
Receipts from U. S. sources			
Sale of goods and services to the U. S.	16.4	15.8	-.6
U. S. economic aid (grants and loans)	2.0	1.5	-.5
U. S. private capital outflow	.4	1.6	1.2
Total, including other	19.3	19.4	.1
Surplus on above transactions	2.3	1.7	-.5

Office of Business Economics, United States Department of Commerce.

The build-up of gold and dollar reserves in many countries has reached a level adequate to meet temporary balance of payment emergencies. As a result the postwar network of foreign trade and exchange controls have been progressively relaxed even in the face of last year's decline in U. S. imports. Surpluses arising from international transactions are being used to finance additional imports or to reduce foreign indebtedness, while temporary deficits are being increasingly met through commercial bank operations. In 1954 United States commercial banks increased their foreign lending by nearly 500 million dollars. Thus changes in official reserves are smaller than previously and the significance of such reserves as a measure of current foreign demand has been reduced.

In countries with continuing balance of payments difficulties, special U. S. export programs as well as private capital movements have become more important determinants of U. S. exports of farm products. Sales for foreign currencies under provisions of the Agricultural Trade Development and Assistance Act (P.L. 480), which started in January 1955, are expected to add measurably to the volume of exports that would otherwise be made during the year. The bulk of funds to be allocated during the current fiscal year for disposal of surplus agricultural commodities abroad will result in shipments to countries with balance of payments difficulties.

Agricultural Exports Increase in 1954

The rise in United States agricultural exports to 3,046 million dollars in 1954--a 7-percent gain--was accounted for largely by increased shipments of cotton, fats and oils, and relief parcels, which more than offset the severe decline in grains. During the second half of 1954, exports were increased to some extent by shipments under the grant provisions of the Agricultural Trade Development and Assistance Act (P.L. 480).

Cotton exports were spurred by large foreign mill consumption and previous liquidation of old-crop stocks by other producers. Tobacco exports, though down from the high levels in 1953, held at about the average of the previous 2 years. The total value of lard and tallow exports was far above 1953. Commodity Credit Corporation sales boomed exports of linseed oil, peanuts, and cottonseed oil, and favorable prices aided soybean and soybean oil shipments. Wheat and flour exports, while somewhat below 1953, were substantial during the second half of the year when European needs increased because of a poor harvest. Corn exports were limited by generally adequate supplies in Europe, bolstered by large shipments from Argentina. But smaller foreign supplies began to favorably influence exports toward the end of the year. Rice exports were sharply reduced by the curtailment of aid shipments to Korea. Furthermore, in the last half of 1954, exports to Japan were much smaller than in the like period of 1953. A largerMexican crop limited dried bean shipments, but exports of dried peas were aided by the poor European harvest.

Export Outlook 1/

Exports of wheat and flour in 1955 are expected to be somewhat above 1954. Demand in Western Europe became stronger late last year and has continued so into 1955 because of the poor quality of the 1954 crop. Since exports during the latter half of 1954 were at a relatively slow rate, shipments during the same period this year are expected to be larger. Increased foreign demand, a reduction in Argentina's corn crop, and large United States supplies are expected to result in larger exports

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1/ The export outlook was prepared in collaboration with the Foreign Agricultural Service.

of corn, barley, and grain sorghums. Exports of rice this year probably will be considerably larger due to purchases now underway by Japan.

Favorable economic conditions in most major importing countries are expected to help sustain a high level of cotton consumption abroad; but, with accumulating stocks and an outlook for larger cotton crops in several foreign surplus-producing areas, United States cotton exports in 1955 may fall short of shipments in 1954.

Prospects are that tobacco exports in 1955 will be larger than those of last year. Principal factors: increasing consumption in a number of major outlets, greatly improved economic conditions abroad, trade liberalization, and the possibility of sales for foreign currency under United States exports programs (P.L. 480).

Total exports of fats, oils, and oilseeds are expected to decline somewhat from the record levels which prevailed during 1954. Larger exports of soybeans and lard are in prospect. But these gains may be more than offset by smaller sales of linseed and cottonseed oil from previously reduced CCC holdings. Tallow exports are likely to continue relatively high. Introduction of recombined milk in milk-deficit areas which is made from nonfat dry milk solids and butterfat in the form of anhydrous milk fat or butter oil could significantly increase exports of these items. Exports of canned milk and cheese are expected to remain approximately the same as last year. Exports of meat and meat products during 1955 are likely to continue at about the 1954 level, with increased shipments of pork probably about offsetting smaller sales of beef.

As a result of moderate Mediterranean citrus crops last winter, United States orange exports in early 1955 are likely to exceed those of 1954. Increased summer supplies in California may help expand late exports favorable factors include better export opportunities, particularly in the United Kingdom. Larger stocks abroad and a shortage of the larger sizes of California prunes may reduce exports of dried fruits during most of 1955 compared with 1954. Frost damage in the United States and possibly better yields abroad may also result in smaller exports of almonds and walnuts.

FARM INCOME

Farmers' gross income, expenses, and realized net income will probably be a little lower in 1955 than in 1954. A decline in gross income is expected, largely because of smaller crops of wheat and cotton, lower price supports for wheat, and prices of hogs sharply below last

year's high levels. While farm production costs also may be lower this year, they are not likely to be reduced enough to fully offset the expected decline in gross income. Consequently, realized net income may be down from last year's figure of 12.0 billion dollars, perhaps by about 5 percent.

Marketings of livestock and livestock products will remain high in 1955, and may exceed last year's record volume. Similarly, cash receipts from livestock and products may, on the whole, compare rather favorably with last year. Lower cash receipts from hogs are likely to be largely offset by increases for some of the other livestock items, notably eggs. On the other hand, if yields are average, this year crop marketings will probably be from 5 to 10 percent smaller than last year. Total crop receipts may be down in about the same proportion with most of the decline in such crops as cotton and wheat, whose acreage has been curtailed. Cash receipts from corn will also be down, however, as most of this year's marketings will be from last year's small crop.

Farm property taxes and farm mortgage interest payments are continuing their upward trends this year, and farmers may also spend more on purchased seed than last year. No further increases are expected in any of the other expense items, however, and some are likely to be down a little. The largest decline is expected in rental payments, which are mostly share rents. The net result will probably be only a small reduction in total production expenses.

Cash receipts from farm marketings in the first quarter of 1955 totaled approximately 6.4 billion dollars, down 5 percent from last year. The total volume of marketings was about the same as a year ago, but prices averaged 5 percent lower. First-quarter livestock receipts of 3.8 billion dollars were down nearly 10 percent, but crop receipts of 2.5 billion were practically the same as in the first quarter of last year.

The preliminary estimate of cash receipts in March is 1.9 billion dollars, about the same as in February but 4 percent lower than a year earlier. March receipts from livestock and products are estimated at 1.3 billion dollars, crop receipts at 0.6 billion.

LIVESTOCK AND MEAT

A continued high level of livestock production is in prospect for 1955 if weather conditions are average and farmers carryout current intentions. So far this year, slaughter and meat production have been

above a year earlier. Output of beef, veal, and lamb and mutton has been close to 1954 levels, while pork has been about one-fifth greater.

Cattle slaughter the rest of the year is expected to average as high or perhaps a little higher than last year. Slaughter this summer may be slightly smaller than the drought-expanded slaughter of last summer, but next fall will probably exceed a year earlier. A higher proportion of cattle slaughtered the next 4 to 6 months will be fed cattle. The number of cattle and calves on feed in the Corn Belt on April 1 was 8 percent greater than a year earlier.

Hog slaughter will be above 1954 during all of 1955. However, the expansion in hog production seems to be slowing down. The March 1 report for 6 Corn Belt States shows that most of the increases in this year's spring pig crop took place in December, January, and February. For these States, a 3-percent increase over last year was planned for March-May farrowings and a 2-percent decrease for June-August.

Prices of cattle and calves in April were generally close to or higher than last April. While cattle prices will continue to average approximately the same as last year, a further seasonal downtrend in prices of fed cattle is likely this spring. Grass cattle prices will likely reach a peak this spring, and then decline seasonally this summer and fall.

Prices of sheep, lambs, and hogs in April were below last April, with hogs down sharply. By mid-April, hog prices had strengthened somewhat from the low prices of early March and are expected to rise further to a seasonal summer peak. The fall decline may begin fairly early. The large early-season farrowings will likely result in substantial early marketings.

DAIRY PRODUCTS

Production of milk for the calendar year 1955 probably will be about the same as in 1954, 123.5 billion pounds. This appears likely even though production of milk in March was slightly below that of a year earlier for the fourth consecutive month.

In late March widespread cold and stormy weather curtailed output and for March as a whole, production was 2 percent below the previous record for that month in 1954. Production in first quarter 1955 was 2 percent below the record of the first quarter of 1954. For the marketing year ended March 31, production was 123.0 billion pounds, compared with 122.4 billion in the preceding 12-month period.

In the past 6 months there has been a significant change in milk utilization. Consumption of fluid milk has increased, so that even with total milk output nearly as great, the quantity used for manufacturing has declined. In recent weeks, output of butter and cheese has been 10 to 20 percent below that of a year earlier. For the 1954-55 marketing year as a whole, use of milk in butter and cheese was substantially below that of a year earlier. Output of the other manufactured products was close to that of 1953-54.

The rise in consumption of milk and dairy products has been due to expanding consumer incomes, the special school milk and other domestic distribution programs, lower retail prices, and some change in merchandising methods. Despite the increase of a half billion pounds in milk production during the 1954-55 marketing year, price-support purchases declined to the equivalent of about $5\frac{3}{4}$ billion pounds of milk compared with 11 billion the preceding year. With prospects for continued strong consumer demand and no material change in retail prices, consumption in 1955-56 probably will exceed last year. The surplus of dairy products in the coming 12 months probably will be less than during the marketing year just closed.

Prices for milk in the different outlets are expected to continue near the levels of a year earlier. However, indications point to a somewhat greater use in fluid milk outlets which yield higher returns. Cash farm receipts from the sale of milk and butterfat probably will approximate the 4 billion dollars of 1954, compared with 4.4 billion in 1953 and 4.6 in 1952.

POULTRY AND EGGS

The hatches of chicks for laying flock replacement and of light breed turkey poults are continuing sharply below a year earlier, but the small hatch of heavy breed turkeys in the first three months of this year may be partly offset by larger hatchings later. Broiler chicks, which are produced more uniformly the year around, are being hatched currently above the high 1954 rate.

On April 1, the number of young chickens on farms for laying flock replacement was 28 percent below a year earlier, and 14 percent below April 1953. About half of the 1954 brood and about 45 percent of the 1953 brood were on farms by April 1.

Egg supplies for 10 or 12 months beginning in late summer will be markedly influenced by the smaller number of replacement pullets. Farmer's egg prices currently higher than a year ago, plus an expectation of normal seasonal increases later in the year, may bring chick

production in the next 2 months close to 1954 monthly levels. On April 1, the number of eggs in incubators was 9 percent below last April 1. The decline in eggs for laying flock replacement chicks was considerably greater than 9 percent since broiler egg settings were slightly above last year.

Egg prices in early April were somewhat below a month earlier, and probably at the springtime low. By April 1, only 20 million pounds had been added to the season-low (March 1) holding of frozen egg, and a further increase of almost 80 million pounds would be required if total holdings at the season peak are to equal the lowest July 1 holdings of the past 5 years. This suggests a large diversion of eggs to breaking for the next 2 months, at a rate in excess of the average rate so far this season. Meanwhile, egg production on farms has probably passed the season peak.

On the other hand, shell egg stocks on April 1 were 10 percent larger than a year earlier. Storage in early April was proceeding at a rapid rate on account of the wide spread--on some days as much as 7 cents--between future contract prices and cash egg prices in Chicago. If this spread should narrow to $3\frac{1}{2}$ or 4 cents per dozen, which is considered to be the approximate cost of storage, the diversion of shell eggs to storage would be restricted. A substantial seasonal egg price rise, similar to those prior to 1954, is likely by fall. In 1954, the U. S. average farm price did not show an appreciable seasonal increase.

Broiler marketings will increase sharply from mid-April to mid-May, as a result of the increase in broiler chick placements 10 to 12 weeks earlier. In February, weekly broiler placements in 22 States averaged 28 percent higher than in January. Broilers sold in DelMarVa in early April, from January placements, brought an average of 32.6 cents per pound, compared with the 12-month average price of 22.5 cents in the same area in 1954.

The turkey outlook is mixed. The hatch of light-breed birds is continuing sharply below last year, but eggs in incubators indicate that the prospective April hatch of heavy breed poults will be close to last year. The hatch of Beltsville and other light-breed poults through April this year is likely to be about a third below 1954, but the hatch of heavy-breed birds may be within 10 or 12 percent of the large output in the same period last year. The Department of Agriculture has cautioned farmers to review any possible increases above last year in orders for heavy-breed poults in the next few months.

FATS, OILS, AND OILSEEDS

The outlook is for large quantities of most fats and oils this spring and summer, reflecting plentiful supplies of soybeans and flaxseed and continued high output of tallow and greases. Prices of soybeans, flaxseed and most fats and oils in this period are likely to average lower than the year before.

Lard output in October 1954-February 1955 was about 20 percent above a year earlier, reflecting an 11 percent increase in hog salughter and a sharp rise in yield per animal. Although domestic use was up 4 percent and exports increased substantially over the same period last season, output was considerably above disappearance and stocks increased sharply. Holdings on March 1 were well above the low level of a year earlier but below average for that date. Lard production is now declining seasonally and stocks will drop considerably by the latter part of the crop year. Lard prices declined about 25 percent from October 1, the beginning of the marketing year, to mid-March. In recent weeks prices have strengthened somewhat and a further rise is likely.

The price spread between cottonseed and soybean oils widened somewhat during the past month as cotton oil prices remained about the same while those for soybean oil dropped slightly. Prices of cotton oil are being maintained by heavy consumption and a pick up in tenders to the Government.

Domestic disappearance of butter in October 1954-February 1955 was up 10 percent from a year ago while margarine remained about the same. Government programs and lower prices encouraged greater use of butter.

Production of inedible tallow and greases in the first five months of the 1954-55 crop year was about the same as total disappearance. Prices are about the same as at the beginning of the crop year. In the same period of 1953-54, total disappearance was greater than output, stocks dropped and prices rose.

On March 9, the President announced that the import quota for peanuts through the fiscal year ending June 30, 1955 had been raised from 2 million to 53 million pounds, shelled basis, in order to alleviate the shortage resulting from the small 1954 crop. At the request of the Department of Agriculture, the Tariff Commission held a hearing on April 19 to determine whether additional imports should be permitted.

CORN AND OTHER FEED

Farmers are planning a small increase in acreage of feed grains in 1955 and a record carryover in 1955-56 is in prospect from the large supply of 1954-55. No forecast is made of production at this time, but if yields by States equal the 1949-53 average, 125 million tons of feed grains would be produced on the 1955 prospective acreage, 3 percent more than in 1954. Although much depends on the 1955 growing season, these early indications point to a total feed concentrate supply a little above the 1954-55 record of 181 million tons.

If farmers carry out their March 1 intentions they will plant about the same acreage to corn as in 1954, but larger acreages of oats, barley, and sorghums. A small increase in corn acreage is in prospect in the Corn Belt, indicating rather extensive over-planting of corn acreage allotments in the commercial area again this year. Acreage allotments in the 1955 commercial area call for a reduction of about 10 percent under the acreage planted in the area in 1954. Total corn acreage allotments in 1954 were about 18 percent below the 1953 acreage. About 40 percent of the producers compiled with their allotments, but the actual decrease in acreage in the commercial area was less than 2 percent, since many farmers who did not comply substantially increased their acreage.

The price support on 1955 corn will be based on the national average rate of not less than $1.58 per bushel, 87 percent of the February 15 parity price, and 4 cents lower than in 1954. Farmers in the commercial area who comply with the acreage allotments will be eligible for full 87 percent support. The support in the non-commercial area will be 75 percent of the commercial area rate. Price supports for oats, barley, and sorghum grain will be about one-fifth lower than in 1954. With an average growing season this year, prices of these grains probably will decline at least seasonally this summer, and are expected to be lower than usual in relation to corn.

Prices of feed grains and most of the byproduct feeds have declined during the past 2 or 3 months, and in early April feed prices were generally somewhat lower than a year ago. Cash corn prices have strengthened since the low point reached in early March, but have remained well below the 1954 support level. Farmers placed 158 million bushels under price support through March 15, much less than the 332 million bushels in the same period of 1953-54. Record quantities of 1954 oats, barley, and sorghum grains were placed under price support.

WHEAT

The winter wheat crop was forecast at 662 million bushels as of April 1. The first estimate of spring wheat production will be made June 10. If farmers plant the spring wheat acreage indicated by their March 1 intentions, and yields are average, the crop would be about 177 million bushels. These add to an all-wheat total of 839 million bushels. Such a crop would be 14 percent below the 1954 crop of 970 million bushels. Since domestic disappearance and exports in 1955-56 may total around 900 million bushels, a reduction in the carryover July 1, 1956 is possible.

Prices for the 1954 wheat crop will be supported at 82-1/2 percent of the parity price to be set at the beginning of the 1955-56 marketing year, but not less than a national average of $2.06 per bushel, as announced on September 15, 1954. The national average for the 1954 crop was $2.24, 90 percent of parity.

It now appears that wheat prices may have started to adjust downward seasonally to lower loan rates and to the new crop movement. Cash prices of hard winter wheat at Kansas City and hard spring wheat at Minneapolis on April 15 were down about 6 cents and 10 cents, respectively, from the highs for this marketing year reached in March. On the same date, the price of soft red winter at St. Louis was down 15 cents compared with its high reached in late January.

FRUIT

Demand for fruit by consumers is expected to continue strong this spring and summer. With the prospect that total carry-over of canned deciduous fruits at the start of the 1955-56 canning season will not be greatly different from that of a year earlier, demand for processing of 1955-crop deciduous fruits probably will be at least as good as for the 1954 crop.

Production of early-season fruits will be light in the South Central and Southeastern States as a result of record-breaking low temperatures in late March. This means reduced supplies of fresh strawberries in April and very few peaches and apples for fresh market from these States during June and July. However, supplies of fresh peaches from California can be expected in early summer, and from California and northern States in late summer. Although peaches and other fruits in the Sacramento Valley, California were damaged by low temperatures in early April, prospects in other areas of California and in northern States continued favorable. Because of prospective smaller supplies of early-season deciduous fruits than in 1954, grower prices in late spring and early summer probably will average above this period of 1954.

Movement of apples from cold storage during March was about the same as usual for that month, and on April 1 stocks were about the same as the April 1 average for 1950-54 but 29 percent larger than on April 1, 1954 as recorded in the Cold Storage Report of the U.S.D.A. Most of the increase over a year ago was in the eastern States. Shipping-point prices for top quality Washington apples averaged considerably higher in early April than a year earlier, but for eastern apples averaged somewhat lower than a year previously. Cold-storage stocks of pears were seasonally light on April 1, 1955 as the season was nearing the end for this fruit. In early April, New York auction prices for the D'Anjou variety were about the same as a year previously.

Although shipment of Florida oranges to fresh markets was fairly well maintained in March, movement to processors declined considerably as buyers waited for sugar content of the Valencia crop to increase. By April 9, remaining supplies were moderately larger than a year previously. Movement to processors, mostly to makers of frozen concentrate, is expected to reach heavy volume again by late April. Grower prices for oranges for concentrate increased sharply during February and advanced slightly during March. In early April they averaged considerably higher than a year earlier. Some further increase in prices seems probable this spring. In early April, prices at Florida shipping points for oranges for fresh market use also averaged much higher than a year previously. On the principal auctions, prices for California Navel oranges in early April averaged somewhat lower than a year earlier, when supplies were lighter. Even though grower prices for the smaller Florida grapefruit crop have declined moderately since January 1, in early April they tended to average a little higher than a year previously.

Output of frozen orange concentrate in Florida through April 2 of the 1954-55 season totaled over 37 million gallons, about 2 million under a year earlier. But cold-storage holdings of frozen orange juice, mostly concentrate, were about 27 million gallons on April 1, about 2 million larger than on that date in 1954. Packers' stocks of canned Florida citrus juices on April 2, 1955 were 13 percent larger than a year earlier, and those of canned citrus sections and salad were 45 percent larger. Cold-storage holdings of frozen deciduous fruits (excluding juices) on April 1, 1955 were about 7 percent larger than a year earlier.

COMMERCIAL VEGETABLES

For Fresh Market

The fresh vegetable crop this spring is expected to be much smaller than a year earlier. Unfavorable winter weather has damaged spring vegetables by destroying some acreage, reducing yield prospects, and retarding plant development in those States which provide the bulk of the Nation's supply of vegetables during the spring months. Retarded plant growth and the re-planting of acreage destroyed are expected to delay the peak of the spring harvest season in many States and marketings in the late spring may increase sharply. Temporary, sharp fluctuations in price may occur for individual items, if anticipated short-term shortages and gluts in market supplies develop. For the spring season as a whole, however, prices received by growers for fresh vegetables are expected to average somewhat higher than a year earlier.

The very low temperatures and strong winds which struck producing areas in the Southeastern and South Central States during the last week of March caused considerable damage, especially in the areas which grow fresh vegetables for mid-spring harvest. In addition, drought has damaged crops in some areas. Although farmers have been replanting the damaged acreage, the size of the mid-spring and to some extent the late-spring crops will depend on the extent and success of the replanting operations, and on growing conditions during the remainder of the season.

According to official forecasts, production of fresh vegetable crops which accounted for half of last year's spring output, will be 7 percent smaller this spring. The reduction is due to both smaller acreage and lower yields than a year earlier. Compared with 1954, significantly smaller crops are expected this spring for snap beans, beets, cabbage, celery, cucumbers, and green peas. In addition, moderate declines are in prospect for cauliflower, sweet corn, lettuce, early-spring onions, and tomatoes. Partly offsetting these reductions are the anticipated larger crops of asparagus, broccoli, carrots, eggplant, shallots, and spinach for spring harvest.

For Commercial Processing

Supplies of processed vegetables for distribution during the remainder of the current marketing season are somewhat smaller than those of a year earlier. Among the major canned and frozen items, snap beans and sweet corn are the important exceptions.

Prospects are that the total pack of processed vegetables will be about as large this year as in 1954, if growing conditions are normal for processing crops. Planted acreage indications to date point to a moderately larger acreage for green peas, but declines for snap beans, sweet corn, and acreage contracted for kraut cabbage. Preliminary estimates indicate a 40 percent larger winter and early-spring crop of spinach for processing this year than last.

POTATOES

Prices received by farmers for potatoes this spring are expected to continue much above those of a year earlier. The quantity of tablestock-quality potatoes from the 1954 late crop remaining to be marketed is much smaller than a year earlier. In addition, the early-spring crop, which is a little smaller than last year's, probably will reach the season's peak in marketings about a week or two later this year than usual. On the other hand, the late-spring crop of potatoes may be at least as large this year as last even though adverse weather in late March destroyed or damaged the crop in southeastern producing areas.

COTTON

Consumption of cotton per person in the United States during 1954 declined to 25.4 pounds, 2.5 pounds below 1953 and the lowest since 1938. The previous post World War II low occurred in 1949 when 25.7 pounds per capita were consumed. Because of the increase in population, however, the total amount of cotton consumed in 1954 was about 590 thousand (480 pounds net weight) bales above 1949. Consumption of all fibers declined and cotton consumption in 1954 comprised about 68.5 percent of total textile fiber consumption, compared with 68.7 percent in 1953.

Consumption of cotton during the 1954-55 marketing year will probably be slightly less than 9 million running bales, compared with 8.6 million running bales in 1953-54. The estimate is based on the trend in the average daily rate of consumption during the first 7 months of the marketing year and assumes normal seasonal changes during most of the last 5 months of the season. However, the low level of stocks of gray goods in relation to unfilled orders at the end of January may indicate somewhat less than normal seasonal declines during some of the remaining 5 months of the current season.

Exports of cotton in 1954-55 marketing year are estimated at approximately 4 1/4 million bales, about 13 percent above 1953-54.

This compares with 4.5 million bales estimated previously. Preliminary reports of exports during the first 6 months of the current season amounted to 1,960 thousand bales, about 435 thousand above a year earlier. Exports during the last 6 months of 1954-55 may not be as large as in the last half of the previous season when exports were unusually heavy in relation to the season's total. Trade reports indicate that importing countries have reduced their purchases of U. S. cotton from the level prevailing prior to January 1955. If these reports prove to be accurate, this reduction will be reflected in exports during the late months of the 1954-55 season. United States financing authorized to be expended on cotton exports in fiscal 1954-55 amounted to 336 million dollars as of April 19. Additional funds may be authorized by the end of this season. Funds already authorized will finance the exports of about 1,8 million bales. During the 1953-54 season, U. S. financing amounted to 326.9 million dollars or approximately 1.7 million bales.

The supply of cotton in the U. S. during 1954-55 is estimated at about 23.5 million bales. This includes a 1954 crop of about 13.6 million bales, a starting carryover of more than 9.7 million, and estimated imports of slightly more than 0.1 million. This is the largest supply since the 24.6 million bales of 1939-40. With disappearance estimated at about 13.2 million bales, the carryover on August 1, 1955 is expected to be about 10.3 million bales.

The average price for Middling 15/16 inch cotton at the 14 spot markets declined in early March to a low of 33.29 cents per pound on March 7 and 8. This compares with the average support level at these markets of 33.46 cents. On April 15 the price was 33.38 cents per pound.

Cotton held by CCC (owned and held as collateral against outstanding loans) totaled 8,526 thousand bales on April 1, 1955. This compares with 8,129 thousand bales a year earlier and a peak for the current season of 8,716 thousand bales on January 28.

Minimum levels for price supports for the 1955 cotton crops were announced on February 23. The minimum for Middling, 7/8 inch cotton at average location was set at 31.70 cents per pound and the minimum for extra-long staple was set at 55.20 cents. These prices were 90 and 75 percent of the January 15 parity prices and compare with 1954 support prices of 31.58 and 65.53 cents per pound. If the parity prices on August 1, 1955 (those announced as of July 15) are higher than those of January 15, the support levels will be increased accordingly.

WOOL

Generally lower wool prices in the last several months than a year earlier, both here and abroad, reflect the slightly larger world supply and easier demand. Prices at the British Dominion auctions have been below a year earlier since last September. Early in April, prices of fine wools at the auctions ranged from 10 percent to 15 percent below a year earlier. Prices of crossbreds ranged from about the same as to about 5 percent lower.

Quotations for domestic wools at Boston were from about the same as to about 20 cents per pound, clean basis, lower, with most descriptions below a year earlier. Prices received by domestic growers for shorn wool at mid-March, the last month of the 1954 marketing season, averaged 50.1 cents per pound, grease basis, 2.3 cents lower than the same month of 1954.

With growers' returns during the 1955 season to be supported by means of payments instead of loans as in recent years, prices of domestic wools will be a reflection largely of world supply and demand and will seek their own level in the market under current tariff protection. It appears likely that prices received by growers for shorn wool in the open market during the 1955 season will average considerably lower than the national average incentive level of 62 cents. The average of prices received during the 1954 marketing year was 53.9 cents. The payment to the individual producer will be based on the percentage of the average price received by all producers needed to bring this average up to the support level. This percentage will be applied to the net price received by each producer. Therefore, the higher the price received by the individual producer in the open market, the larger his payment will be.

Domestic production this year is not likely to differ much from the total of 276.1 million pounds in 1954. Last year's total consisted of 232.6 million pounds of shorn wool and 43.5 million pounds of pulled wool or roughly 135 million pounds, clean.

Domestic mills consumed 14 percent more apparel wool during the first 2 months of 1955 than a year earlier. With economic activity and consumer purchasing power expected to continue at least at present levels, it appears likely that domestic mills will use a little more apparel wool this year than the 268 million pounds, scoured basis, of last year. Mill use of carpet wool early this year was 3 percent above a year earlier.

World consumption of wool during 1954 is estimated to have been about 2,532 million pounds, clean. This is 4 percent less than in 1953 but except for 1950 and 1953, it is higher than for any other postwar year and about 22 percent above prewar. It was the same as estimated production during the 1953-54 season.

TOBACCO

Cigarette consumption in 1955 is expected to be near the level of 1954 with filter tips and king size accounting for a greater share of the total. Since 1952, the number of cigarettes consumed has declined but measured in pounds of tobacco consumed, there was actually a slight increase from 1952 to 1953 because of the increased leaf requirements for nonfilter, king size cigarettes. While nonfilter, king size cigarettes require about 17 percent more tobacco than regular size, the filter, king size cigarettes take about the same quantity. From 1953 to 1954, it is estimated that leaf requirements for cigarettes consumed domestically decreased about 4 1/2 percent. Private estimates indicate that nonfilter tip, king size cigarettes made only a slight gain from 1953 to 1954 but that filter tip, king size cigarettes showed a sharp relative increase.

The number of cigars and the outputs of smoking tobacco and snuff in 1955 probably will be about the same as in 1954. Chewing tobacco output probably will continue its long-term gradual decline.

The 1954-55 supplies of flue-cured and Burley are about 3 1/2 and 8 percent larger than for 1953-54. There are also larger supplies of most other kinds than a year earlier except cigar filler and binder types, which are lower. The 1955 tobacco acreage allotments are smaller than for 1954 except for the cigar types and Virginia sun-cured. For Maryland type 32 and Pennsylvania Seedleaf, type 41, for which allotments are not in effect, the March report of farmers' intentions indicated a little less acreage this year than last.

Newly enacted legislation pertaining mainly to Burley tobacco is expected to result in a sharp reduction in Burley tobacco acreage this year. The redetermination of the 1955 acreage allotment in accordance with the new legislation is expected to be about 20 percent below the 1954 allotted acreage. On April 28, Burley growers vote on whether they favor the redetermined quota. If more than one-third are opposed, no quota will be in effect and no price support will be available on the 1955 crop.

The minimum support levels for the 1955 crop of flue-cured and Burley are 48.3 and 46.2 cents per pound, respectively,--not much different than the 1954 supports. The 1955 price support for Burley is contingent upon at least a two-third vote in favor of the redetermined quota. Last season prices received by growers averaged 52.7 cents for flue-cured and 49.6 cents for Burley. The minimum support for the 1955 crops of fire-cured bobacco (computed at 75 percent of the Burley level) is 34.6 cents per pound, and for dark air-cured and Virginia sun-cured (computed at 66 2/3 percent of the Burley level), is 30.8 cents per pound. The minimum supports for the 1955 crops of eligible cigar tobacco types are: Ohio filler, 24.7 cents; Connecticut Valley Broadleaf, 53,9 cents; Connecticut Valley Havana Seed, 50.8 cents; New York and Pennsylvania Havana Seed, 25.0 cents; Southern Wisconsin, 24.5 cents; and Northern Wisconsin, 32.0 cents. If the parity prices should advance by July 1 for flue-cured and by October 1 for Burley and the eligible cigar types, the 1955 support levels would be adjusted upward accordingly.

Calendar 1955 exports of leaf tobacco probably will exceed last year's total of 506 million pounds (farm-sales weight). The 1954 total was 74 million pounds less than the 1953 exports. The 1953 exports were high because of substantial shipments to Britain held over from 1952. On a marketing year basis, exports of leaf tobacco increased 3 1/2 percent from 1952-53 to 1953-54 and in the current year, may be up another 5 percent and perhaps more. However, expanded production abroad, especially of flue-cured in Southern Rhodesia and Canada, is offering increasing competition.

ECONOMIC FACTORS AFFECTING AGRICULTURE, 1929, 1932 and 1935-53

Item	Unit or base	1929	1932	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	p1954
Industrial production 1/																							
Total	1947-49=100	59	31	47	56	61	41	58	67	87	106	127	125	107	90	100	104	97	112	120	124	134	125
All manufactures	do.	58	30	46	55	60	46	57	66	88	110	133	130	110	90	100	103	97	113	121	125	136	127
Durable goods	do.	60	19	38	49	55	35	49	63	91	126	162	159	123	86	101	104	95	116	128	136	153	138
Nondurable goods	do.	56	42	55	61	64	57	66	69	84	93	103	99	96	95	99	102	99	111	114	114	118	116
Minerals	do.	68	42	55	63	71	62	68	76	81	84	87	93	92	91	100	106	94	105	115	114	116	111
Total outlay for new construction 2/	Billion dollars	10.8	3.5	4.2	6.5	7.0	7.0	8.2	8.7	12.0	14.1	8.3	5.3	5.6	12.0	16.7	21.7	22.8	28.5	31.2	33.0	35.3	37.2
Residential	do.	3.6	.6	1.0	1.6	1.9	2.0	2.7	3.0	3.5	1.7	.9	.8	1.1	4.0	6.3	8.6	8.3	12.6	11.0	11.1	11.9	13.4
Total civilian employment 3/	Million	47.6	39.0	42.3	44.4	46.3	44.2	45.8	47.5	50.4	53.8	54.5	54.0	52.8	55.2	58.0	59.4	58.7	60.0	61.0	61.3	62.2	61.2
Nonagricultural	do.	37.2	28.8	32.2	34.4	36.5	34.6	36.2	38.0	41.2	44.5	45.4	45.0	44.2	46.9	49.8	51.4	50.7	52.4	54.0	54.5	55.7	54.7
Unemployed	do.	1.6	12.0	10.6	9.0	7.7	10.4	9.5	8.1	5.6	2.7	1.1	.7	1.0	2.3	2.1	2.1	3.4	3.1	1.9	1.7	1.6	3.2
Income:																							
Nonagricultural payments 2/ 4/ #	Bil. dol.	77.7	46.9	53.9	63.2	67.0	62.8	67.1	72.6	88.0	111.5	137.6	151.6	156.8	161.1	172.8	188.5	190.8	210.5	235.7	253.3	270.0	270.7
Production-worker payrolls 5/	1947-49=100	35.0	14.8	23.5	27.2	32.6	25.3	29.9	34.0	49.3	72.2	99.0	102.8	87.8	81.2	97.7	105.1	97.2	111.7	139.8	136.6	151.6	138.2
Weekly earnings of production workers in manufacturing 5/	Dollars	25.03	17.05	20.13	21.78	24.05	22.30	23.86	25.20	29.58	36.65	43.14	46.08	44.39	43.82	49.97	54.14	54.92	59.33	64.71	67.97	71.69	71.65
Durable	do.	27.22	16.21	21.52	24.04	26.91	24.01	26.50	28.44	34.04	42.73	49.30	52.07	49.05	46.49	52.46	57.11	58.03	63.32	69.47	73.46	77.23	77.01
Nondurable	do.	22.93	17.57	19.11	19.94	21.53	21.05	21.78	22.27	24.92	29.13	34.12	37.12	38.29	41.14	46.96	50.61	51.41	54.71	58.46	60.98	63.60	64.58
Agricultural trade 6/	Billion																						
Domestic exports	dollars	1.7	.7	.7	.7	.8	.8	.7	.5	.7	1.2	2.1	2.1	2.3	3.2	4.0	3.5	3.6	2.9	4.0	p3.4	p2.8	p3.0
Imports for consumption	do.	2.2	.7	1.1	1.2	1.6	1.0	1.1	1.3	1.7	1.3	1.5	1.8	1.7	2.3	3.8	3.1	2.9	4.0	5.2	4.5	4.2	4.0
Prices:																							
Wholesale prices, all commodities 5/	1947-49=100	62	42	52	52	56	51	50	51	57	64	67	68	69	79	96	104	99	103	115	112	110	110
Commodities other than farm and food	do.	66	50	56	57	61	58	58	59	64	68	69	70	71	78	95	103	101	105	116	113	114	114
Farm	do.	59	27	44	45	48	38	36	38	46	59	68	69	72	83	100	107	93	98	113	107	97	96
Food, processed	do.															98	106	96	100	111	109	105	105
Prices received by farmers 7/	1910-14=100	148	65	109	114	122	97	95	100	124	159	193	197	207	236	276	287	250	258	302	288	258	250
Crops	do.	135	57	103	108	118	80	82	90	108	145	187	199	202	228	263	255	224	233	265	267	242	244
Livestock and products	do.	159	72	114	119	126	112	107	109	138	171	198	196	211	242	288	315	272	280	336	306	273	257
Prices paid, interest, taxes and wage rates 7/	1910-14=100	160	112	124	124	131	124	123	124	133	152	171	182	190	208	240	260	251	256	282	287	279	281
Items used in living	do.	154	106	124	124	128	122	120	121	130	149	166	175	182	202	237	251	243	246	268	271	270	274
Items used in production	do.	146	99	122	122	132	122	121	123	130	148	164	173	176	191	224	250	238	246	273	274	253	252
Parity ratio		92	58	88	92	93	78	77	81	93	105	113	108	109	113	115	110	100	101	107	100	92	89
Consumers price index 5/	1947-49=100	73	58	59	59	61	60	59	60	63	70	74	75	77	83	96	103	102	103	111	114	114	115
Food	do.	66	43	50	50	52	48	47	48	52	61	68	67	69	79	96	104	100	101	113	115	113	113
Government purchases of goods and services 2/ 8/ #	Billion dollars	8.5	8.1	10.0	11.8	11.7	12.8	13.3	14.1	24.8	59.7	88.6	96.5	82.9	30.9	28.6	36.6	43.6	42.0	62.8	77.2	85.2	77.5
Federal (less Government sales)	do.	1.3	1.5	2.9	4.8	4.6	5.3	5.2	6.2	16.9	52.0	81.2	89.0	74.8	20.9	15.8	21.0	25.4	22211	41.0	54.0	60.1	50.0
State and local	do.	7.2	6.6	7.1	7.0	7.2	7.5	8.2	7.9	7.8	7.7	7.4	7.5	8.1	10.0	12.8	15.6	18.2	19.9	21.8	23.2	25.1	27.5

1/ Federal Reserve Board.
2/ U. S. Department of Commerce.
3/ U. S. Department of Labor for years 1929-39. From 1940 to date, Bureau of the Census.
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5/ U. S. Department of Labor, Bureau of Labor Statistics.
6/ U. S. Department of Agriculture, Foreign Agriculture Service.
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